- Agree to the principles of OCCAR.
- Agree to grant OCCAR the freedom to efficiently manage programs and select prime contractors.
- · Are not a security risk.

Non-Western European Armaments Organization nations must have unanimous agreement from all OCCAR partners before joining. This opens up the window for trans-Atlantic opportunities, but probably not before OCCAR proves itself to European leaders. Currently, the United States does not participate in any OCCAR projects and would require unanimous approval from OCCAR members to join.

Ensuring Survival of European Defense Industries

As national-defense budgets decline and Europe's global-market share is threatened, European leaders are looking for ways to ensure survival of their defense industries. This challenge calls for a new organizational entity that can delicately balance sound business principles with political realities. The leaders of France, Germany, the United Kingdom, and Italy believe the solution lies with OCCAR.

Legal identity is a serious limitation to OCCAR's autonomy and efficiency. If OCCAR obtains legal status, it will become the initial seed for a pan-European arms procurement agency and potentially serve as the template for the next generation of European procurement or-

ganizations for other industries as well. That's worth taking note of!

What's the impact to the U.S. Defense Industry? It's too early to tell, but it has already limited U.S. access to initial OCCAR projects and has set a bad precedent toward future involvement. OCCAR's future remains uncertain as European leaders concentrate on reassessing the roles of current-government institutions like EU, Western European Union, and NATO. Although these institutions do not directly compete with OCCAR goals, they are closely coupled and pursue similar agendas. As European defense consolidation hastens, some question the need for OCCAR and further government intervention.

